THE VILLAGE OF WILDWOOD
A DISINCORPORATION STUDY

Alberta Municipal Affairs
May 1990

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A DISINCORPORATION STUDY

Presented to: The Mayor and Council
Village of Wildwood

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EXECUTIVE SUMMARY

The Village of Wildwood is located between Edmonton and Edson, within the boundaries of Improvement District #14. The current population is approximately 320 residents.

The proposal to disincorporate the Village and revert to Hamlet status within Improvement District #14 was prompted by substantial increases in municipal taxation. Increased debenture debt payments are the single biggest factor behind the rise in municipal taxation in 1989.

It is only possible to present an estimate of the impact on municipal taxation if the Village were to disincorporate. The level of services to be provided and the amount of capital spending to be undertaken would be determined by the Improvement District Advisory Council. A loss of local autonomy in making these decisions is a key factor for residents to consider.

This study was prepared based on the assumption that service levels in the Village would remain the same after disincorporation. The estimated increased cost to the Improvement District of running the Village operation forms the basis for the examination of property taxation.

Taxation levels currently are significantly lower in the Improvement District. This is as a result of the commercial and industrial assessment base that Improvement District #14 has available to generate revenue from taxation. It appears that the Village taxpayers would receive some relief from the current burden of property taxation should they choose the option of disincorporation.

The study addresses five key issues including the lack of commercial assessment base, declining population, long term debt, operating costs and declining provincial grants.

The Village of Wildwood has three available options to consider. These include:

*Maintain the status quo
*Request special financial assistance from the Province
*Disincorporate as a Village and revert to Hamlet status

The final decision lies with the residents of Wildwood. They will have to assess the advantages and disadvantages of each option and decide on the best alternative for the future of the community.

1.0 BACKGROUND

This study presents the factors surrounding the request for, and reviews the possible consequences of, disincorporation of the Village of Wildwood. Such an action would likely result in the Village reverting to Hamlet status within Improvement District #14. The information contained in the report is intended to allow residents to better assess the impact of disincorporation on the community. Residents can then determine if they wish to conduct a plebiscite to resolve the issue.

In response to a petition presented to the Village Council concerning rising property taxes, a public meeting was held in September 1989 to discuss the concept of reversion to Hamlet status. Alberta Municipal Affairs representatives attended the meeting to outline alternatives available to the citizens of Wildwood. A motion was passed at the meeting that the Minister of Municipal Affairs be requested to initiate a feasibility study into disincorporation of the Village of Wildwood.

The Honorable Raymond Speaker, Minister of Municipal Affairs, was then formally requested by Village Council to proceed with the feasibility study. The Municipal Services Branch of Alberta Municipal Affairs was assigned the responsibility of conducting this study.

The study was prepared based on data gathered from Alberta Municipal Affairs and the Edson office of Economic Development and Trade. Meetings were held with the Council of the Village of Wildwood, the Village Administrator and the Manager of Improvement District #14, to exchange information and gather material.

Five key issues were identified and examined in the study.

*Lack of a sufficient commercial assessment base.
*Population decline.
*Level of long term debt.
*Ongoing operational costs and the need for major upgrading of infrastructure and equipment.
*Declining grant revenue.

2.0 A PROFILE OF WILDWOOD

The Village of Wildwood is located approximately 120 kilometers west of Edmonton and 90 kilometers east of Edson. The Village falls within the boundaries of Improvement District #14. The community has a current population estimated at 320 people. The area was first settled around 1906 by immigrants from the United States. Wildwood was incorporated as a Village on June 23rd, 1948.

The economy of the surrounding district is dependent upon farming, forestry, ranching, and oil and gas development. The Village economy is mainly local business serving the Village, with limited commercial traffic drawn from Highway 16 West. This will change when the new highway interchange bypasses the Village.

A majority of the working population commute to other centers for employment in seasonal work or service industries.

The labor force ranges in age from early 20's to late 40's. Main skill areas include logging, mill operators, carpentry, and construction. Average education levels are high school with some industrial upgrading.

Wildwood School teaches children from Kindergarten to Grade 9. The 1989/1990 enrollment was 213 students. Grand Trunk, located in Evansburg, is the nearest high school.

Recreational activity is an important element of life in Wildwood. There is active participation in gymkhana, curling, boxing and skipping. There are softball and hockey teams as well as a rod and gun club.

A number of fraternal organizations such as the Elks, the Order of the Royal Purple and the Legion take part in the community. Wildwood has a active senior citizens club. The Village also has a Community Association and an Agricultural Society.

A high proportion of residents live on fixed incomes in the form of pensions, social assistance benefits or unemployment insurance payments. There is also a high proportion of households headed by single parents.

3.0 CRITICAL FACTORS

(i) ASSESSMENT BASE

Wildwood's current financial problems result from an inability to generate adequate revenue to maintain ongoing operations and repay annual long term debt charges. This inability relates to the limited assessment base available to the Village to generate revenue through taxation. Increasing levels of taxation have become a major financial burden for residents.

The Village's tax base consists primarily of residential property assessment. There is a very limited commercial and industrial assessment base. This is in contrast to Improvement District #14 which has a primarily industrial assessment base. As is illustrated in Section 4.0 on property taxation, the broad industrial assessment base in Improvement District #14 results in lower municipal property taxes for Improvement District taxpayers as compared to Village taxpayers.

Village of Wildwood	1989 Live Assessment	%
Residential*	$3,494,630	65.9%
Commercial*	$1,459,650	27.5%
Industrial	$ 229,970	4.3%
Power and Pipeline	$ 119,500	2.3%
Farmland	$ 0	0.0%
Total	$5,303,750	100.0%

Improvement District #14	1989 Live Assessment	%
Residential*	$ 55,847,370	8.4%
Commercial*	$ 21,404,830	3.2%
Industrial	$320,406,990	48.3%
Power and Pipeline	$239,503,400	36.1%
Farmland	$ 26,469,530	4.0%
Total	$663,632,120	100.0%

*Includes Federal and Provincial Grants in Lieu of Taxes

Base Years

Improvement District #14 and the Village of Wildwood have different general assessment base years (1986 and 1988 respectively). In conjunction with this study, a random sample of residential and commercial properties in the Village was performed by the Assessment Operations staff of Municipal Affairs in Edson. This sampling indicated that residential properties adjusted to the same base year as the I.D. would increase 1.13% and commercial properties indicated a decrease of 2.88% (refer to Appendix A).

Based on the minor adjustments involved, a conclusion was reached that variation in the assessments not be considered material for purposes of this study only. The 1989 live assessment figures are the best information currently available and the study's projections of future mill rates will be based on those figures.

	1989 Live Assessment	
Village of Wildwood	$ 5,303,750	0.80%
Improvement District #14	$663,632,120	99.20%
Total Combined Live Assessment	$668,935,870	100.00%

These figures indicate that the Village portion of the total assessment amounts to less than 1% of the combined total. This is one relevant indication of the size and scope of the Village operation as compared to that of Improvement District #14.

Commercial Assessment

In 1988, in an effort to attract business and generate commercial assessment, two Village streets were paved and upgraded. Village Council undertook the paving with the hope that the project would attract business development and bolster sales of vacant commercial properties.

However, no new business has elected to locate in the community. The Village must now repay long term financing undertaken for the paving project, but with no improvement in the commercial assessment base. There have been other efforts of a similar nature that have failed to attract any new business ventures to the Village. As an example, a lot was serviced for a proposed car and truck wash that did not materialize.

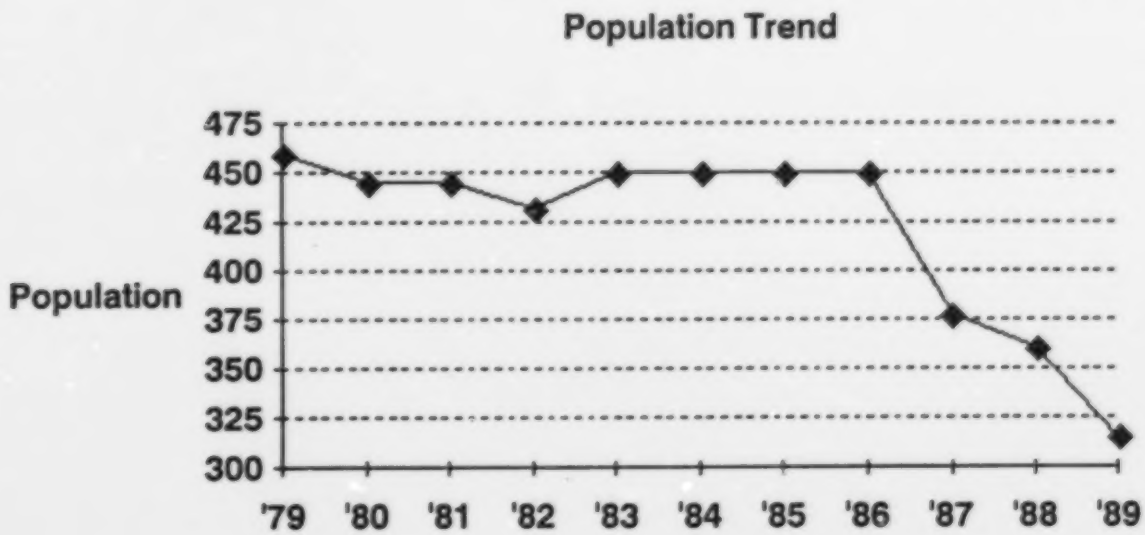
There is added concern in the area of increased commercial assessment because the new Highway 16 project will bypass the Village. Some business owners have indicated that they will likely close their doors when the Village loses the highway. This has made sales of commercial properties increasingly difficult.

3.0 (ii) POPULAT ON TRENDS

Wildwood has experienced a steady decline in population over the past five years. A continuous record maintained by the Village Administrator indicates that the population had dropped below 320 by the end of 1989.

The population is aging. Thirty seven percent of Wildwood's population is over 45; seventeen percent is over the age of 65 (refer to Appendix B). Many of these individuals live on a fixed pension income. Increasing property tax bills represent a major financial burden to this segment of the community. At the present time indications are that the trend will continue towards an older population.

Lack of employment opportunities are causing young people to be drawn away from Wildwood. Job prospects center around seasonal work and service industries such as oilfield, lumber and hospitality.



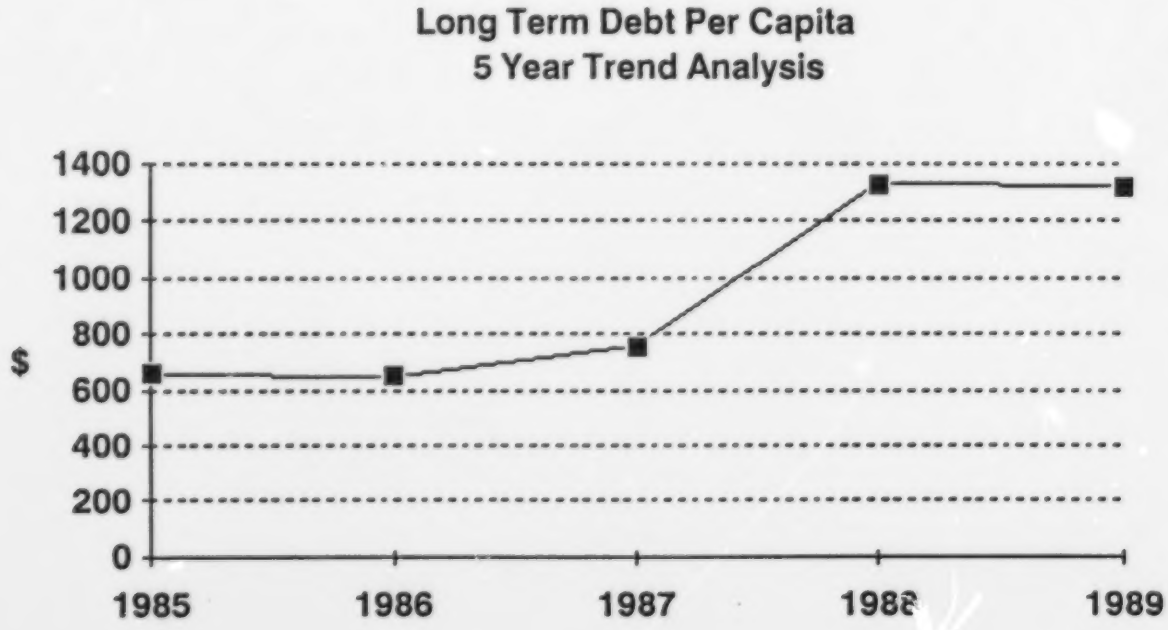
3.0 (iii) DEBT SERVICE COSTS

Wildwood's long term debt represents the costs of adding to and upgrading municipal infrastructure in an effort to attract business and generate commercial assessment dollars.

In 1988 Council took what was, in their terms, a calculated risk. There was a need to enhance the salability of the high number of vacant commercial lots in the Village. In order to do this they proceeded with a paving and upgrading project on two streets.

A debenture of $180,000 was raised to finance Wildwood's contribution to the project. According to the guidelines set by the Local Authorities Board, the Village reached its maximum debt level with this debenture. The balance of the funds were provided through a cost sharing arrangement with Alberta Transportation and Utilities.

The level of per capita debt has increased substantially since the decision was taken to proceed with the project.



A comparison of per capita debt between several Villages comparable in size to Wildwood is presented in Appendix F. The data indicates that the level of debt on a per capita basis is quite high. The Village exceeds the Alberta Municipal Affairs recommended maximum of $1,000 debt per capita.

The repayment of the 1988 debenture debt, $22,789 annually for 20 years, places a heavy burden on the Village's annual operating budget for some years to come. Debenture debt annual repayment charges accounted for ten percent of Wildwood's total operating expenditures in 1989. Sixteen percent of the 1989 tax increase can be attributed to the increased debenture debt that the Village assumed in 1988.

Additional Debenture Debt

Wildwood is carrying debentures for several other projects besides the paving project. Long term debt exceeds $1 million when interest charges, over the term of the various debentures, are included.

The Civic building which accommodates Village administration as well as the Library has four annual payments remaining. The building is inadequate and is in need of repair. Payments remain on the water system extension (built in 1972), the Public Works building, the Arena Complex, and the water reservoirs (built in 1982) (refer to Appendix C).

Long Range Planning

Long range financial planning could have anticipated that the debt burden would be too heavy for the Village. However, planning would not have alleviated the need for upgrading the streets or improving the water system. Council chose the alternative of making expenditures to improve the Village in an effort to make it more viable.

Possible alternatives

Three possible alternatives to manage debt are presented for consideration.

*Continue to operate as a Village, with existing debt payments taking up a large portion of the tax levy to each taxpayer. This alternative would require a decision at the political level regarding Village taxpayers ability to cover additional tax increases taking into account the needs of the Village in terms of services, equipment and infrastructure.

*Continue to operate as a Village and determine whether there would be a provision for the most recent debenture debt, which caused many of the current difficulties, to be paid off with assistance from the Province. This alternative is a short term "quick fix" which does not address the long term solutions that Wildwood requires.

*Revert to Hamlet status and continue with the existing debt. The existing debt of the Village of Wildwood will remain the responsibility of the residents, even if they choose the alternative of disincorporation. Existing debt would be recovered from Village residents using a special property levy calculated on the local tax base. New hamlet debt is assumed by the Improvement District and paid for in part from a larger assessment base. Improvement District #14 would then levy local improvement charges, as determined by the Advisory Council, based on a determination of the community's ability to pay.

3.0 (iv) ONGOING OPERATIONS

All of the municipal services currently provided to citizens in Wildwood are considered essential by the Village Council. A "barebones" operating budget in 1989 cut costs to a minimum. There were no funds for maintenance or upgrading and all capital projects were eliminated. Even with this restraint in operating expenditures, the municipal mill rate climbed by 7.258 mills over the 1988 level. This represents an increase of twenty-two percent.

The increasing proportion of tax dollars needed to service debenture debt has resulted in less funds available for the ongoing cost of operating the Village.

Sources of Revenue

The Village of Wildwood has placed an increased reliance on property taxation as a source of revenue. Council believes that they have reached or exceeded the maximum level of taxation acceptable to residents. The declining population of the Village has meant a greater tax burden on fewer and fewer taxpayers.

Highway fines have provided a steady source of revenue for the Village. Wildwood raised $10,090, or four percent of 1989 general municipal revenues, from fines. With the impending loss of Highway 16, which will fall outside the boundaries of the Village when the new highway is complete, this source of revenue will be lost. User fees, for example water and sewer charges, are also decreasing due to the decline in the population. Consequently, there would be fewer users from which to recover costs, even if fees were increased.

The Village placed increased reliance on Provincial funding when the paving project decision was made. This is further illustrated in 3(v) on grant funding. Provincial conditional grants, that are calculated on a per capita basis, are decreasing.

The revenue base of the Village has also been eroded by inflation. Based on data available from the Alberta Bureau of Statistics, the Consumer Price Index for the Province climbed by 14.4% between 1985 and 1989.

Outstanding Priorities

In an effort to ease 1989 property tax increases the Village reduced operating expenditures and cancelled all capital expenditure items. However, the need to undertake these projects has not been alleviated.

The Public Works superintendent from Improvement District #14 carried out an assessment of the Village's utility systems in conjunction with this study. The condition of roads and sidewalks were reviewed, as well as fire protection, bylaw enforcement and protective and police services. His assessment indicated that major expenditures would be required in the areas of the water and sewer systems, roads, streets and sidewalks, and fire protection.

An overview follows of the operating and capital expenditures that Village Council feels are essential items.

General Administration: The 1989 budget initially included $30,000 to be allocated to a reserve for future equipment replacement. This item was cut as were all donations, promotions, conferences, mileage and honorariums. Staff overtime and wages were frozen.

Fire Protection: The Village's 1949 fire truck needs to be replaced.

Bylaw Enforcement: Dog control was reduced from a weekly patrol to a callout basis.

Roads, Streets and Sidewalks: The Council considers a road grader to be their first priority. A street sweeper attachment is also required to look after the new pavement. The second priority indicated by Council is curbs, gutters and sidewalks on 52nd and 54th avenues. Sidewalks throughout the Village need to be upgraded.

Water and Sewer: The water and sewer lines are 33 years old. Service connections, or saddles, are rusting out and continually need to be replaced. The frequency of the problem has continued to increase, creating manpower and parts replacement costs.

Garbage: The garbage control contract was cancelled and the duties were returned to Village public works staff.

Family and Community Support Services: The 1989 allocation was reduced from $4,787 to $2,114.

Recreation and Tourism: The Village cut funding for the Tourist Information Booth completely in 1989. The 1989 allocation for the recreation board was cut from $8,472 to $5,841. The Village needs to expand the recreation complex and complete the Centennial Park enhancement.

Service Demands

Village residents need to be aware of one critical issue with regard to service levels and infrastructure. If they choose the option of disincorporation, local demands then become part of the broader list of concerns dealt with by the Improvement District #14 Advisory Council. Levels of service, for services such as snow removal or garbage pickup, would be set by the Improvement District Advisory Council, based on service levels elsewhere in the Improvement District. Funding for capital improvements would also be decided by the Advisory Council rather than at the local level, as is the case currently.

3.0 (v) GRANT FUNDING

In 1987 Wildwood agreed to cost share a project with Alberta Transportation and Utilities for paving two Village streets. As is the case with most Provincial capital grants, the Village was required to contribute 25% and the Department provided a grant for 75% of the project costs. Wildwood raised a debenture for $180,000 to provide for the Village's 25% contribution to the project.

At the time of the commitment Village Council anticipated that the Municipal Assistance Grant would remain at 1987 levels or increase. They were left unprepared to deal with their increased debt load when the grant was reduced under the equitable entitlement formula.

Wildwood no longer has the fiscal capacity to participate in any Provincial cost sharing programs. Funds cannot be accessed under these programs unless the Village can contribute the required Municipal share of the cost of the project. This further hampers their ability to carry out any improvements to municipal infrastructure.

The decrease in the Municipal Assistance Grant has also meant an increased reliance on property taxation as a revenue source to raise funds to pay off the increased debt. Prior to 1989 taxation as a revenue source had remained fairly constant. The table below shows unconditional grants as a declining source of operating revenue for the Village.

Summary of Operating Revenues

	Provincial Unconditional Grants*	Taxation Revenue	Other Operating Revenue	Total
1985	17%	50%	33%	100%
1986	17%	49%	34%	100%
1987	17%	48%	35%	100%
1988	13%	48%	39%	100%
1989	11%	56%	33%	100%

*Provincial conditional grants have not been included in this data.

Municipal Assistance Grant

Funding Levels - Five Year Trend

	Current $	Indexed*
1985	$40,032	$40,032
1986	$40,032	$38,471
1987	$38,894	$36,560
1988	$27,225	$24,775
1989	$25,000	$21,750

*Indexed for inflation (1985 = 100)

Funds available to Wildwood through this unconditional grant program have decreased, before inflation, by thirty-eight percent since 1985. Based on information used in calculating the 1989 equitable Municipal Assistance Grant entitlements, it is estimated that the two municipalities would receive somewhat more funds separately than the Improvement District would receive if the Village disincorporates. (It should be noted that the actual grant to Improvement District #14 in 1989 was $278,622, reflecting additional assistance during the "phasing in" of the equitable grant formula. Wildwood received the $25,000 minimum grant under the equitable formula.)

1989 Village	1989 I.D.	1989 Total	1989 Combined Village/I.D.
$25,000	$232,185	$257,185	$246,797

Alberta Municipal Partnership in Local Employment

Funding Levels - Three Year Trend*

1987	$ 4,698
1988	$ 9,696
1989	$10,759

*program was initiated in 1987

There would be no impact from disincorporation on these grant monies. They are determined on a per capita basis from 1987 population data. Funds available under this program were reduced in 1990, but the program was extended for an additional two years.

Hamlets Street Assistance Program

One source of grant funding that could be accessed, should Wildwood choose to disincorporate, is the Hamlet Street Assistance Program. This program is available to those areas of land that are officially designated as hamlets. Applications are submitted by the appropriate rural jurisdiction on behalf of the hamlet. Eligibility for assistance is based on a $45,000 basic grant plus $80 per capita for hamlets with populations over 100.

4.0 IMPACT ON PROPERTY TAXATION

The effect of disincorporation on the level of property taxation is the most immediate concern of the residents of the Village of Wildwood and Improvement District #14. This section of the study examines the possible effects of disincorporation on mill rates and property taxation.

It is not possible to predict with any certainty what taxes will be if the Village residents choose disincorporation. Decisions regarding service levels and infrastructure upgrading will have to made at the Improvement District Advisory Council level. These decisions will have significant impact on the level of property taxes. The options presented here assume that current service levels will be maintained. No attempt has been made to predict the effect of any future capital spending on the level of property taxation to residents of the Improvement District or the Village.

1989 Comparative Residential Mill Rates

Requisitioning Authority	I.D.#14 Mill Rate	Wildwood Mill Rate
Municipal	6.932	34.019
School *	8.100*	8.241*
Planning Fund	.098	.124
Seniors Fdn.	.220	.258
Total	15.350	42.642

*Yellowhead School Division #12

Village Taxpayers

Appendix E outlines a five year projected operating revenue and expenditure budget under the disincorporation option. This was compiled based on expected savings to the Village on items which would no longer be necessary, such as Council expenses and some of the Administrative costs. These estimates were prepared by the Manager of Improvement District #14 in conjunction with the study on the assumption that current service levels would be maintained. A five percent inflation factor is built in to each year.

Estimate of additional tax revenue required under disincorporation option

Total operating expenditures as a Hamlet	$211,771*
Total other operating revenues	$ 82,405*
Additional revenue needed from taxation - 1990	$129,366

*refer to Appendix E

Under this scenario the municipal tax levy would rise by approximately 2% in 1990. This would increase the Improvement District municipal mill rate from the 1989 level of 6.932 to 7.071, which results in a total residential mill rate of 15.489. The following table is based on a representative range of residential properties within the Village, from the lowest to the highest property assessments. If the above scenario held true, the table indicates what the residential tax levy might be after disincorporation.

Sample tax levies

	Property Assessment	Residential Mill Rate	Adjusted I.D.#14 Tax Levy	1989 Village Tax Levy
Taxpayer A	$ 7,500	15.489	**$116.17**	$ 319.82
Taxpayer B	$15,000	15.489	**$232.34**	$ 639.63
Taxpayer C	$30,000	15.489	**$464.67**	$1,279.26
Taxpayer D	$50,000	15.489	**$774.45**	$2,132.10

Under the disincorporation scenario an additional mill rate would be applied to Village residents in order to recover the debt that Wildwood is carrying upon disincorporation.

The effect of future spending is not known. Any capital works projects would be recovered in part through local improvement levies. The current policy of the Improvement District Advisory Council is to levy local improvement charges on an ability to pay basis.

Special Property Levy for Debt Recovery

The existing long term debenture debt would continue to remain the responsibility of Wildwood taxpayers under any of the options presented in this study. In order to repay this debt under the disincorporation option, a debt recovery mill rate would be levied annually. This levy would be in addition to property taxes levied by the Improvement District and the various requisitioning authorities.

Using 1989 assessment data as a base, the calculation is made as follows for the years 1990 to 1993, or until the Civic building debenture has been completely paid for (refer to Appendix C).

Cash Flow Required	$ 63,512	x 1,000
Local Assessment Base	$5,303,750	

=11.975 mills

	Property Assessment	Debt Recovery Mill Rate	Tax Levy
Taxpayer A	$ 7,500	11.975	$ 89.81
Taxpayer B	$15,000	11.975	$179.63
Taxpayer C	$30,000	11.975	$359.25
Taxpayer D	$50,000	11.975	$598.75

In 1994 the levy required would be reduced to $61,000. The cash flow required to service the debt does not decrease significantly until the year 2007.

Improvement District Taxpayers

One key consideration in the context of an examination of property taxes is the size and scope of the Village operation in comparison to that of the Improvement District. The operating expenditure budget of Wildwood for 1989 was $322,078 in contrast to the Improvement District #14 operating expenditure budget of $6,432,363.

Based on services to Wildwood residents remaining at the current level, and the cost savings in certain areas that would be associated with disincorporation, Improvement District #14 residents could expect the Municipal mill rate to increase by at least 2% in the first year after disincorporation, unless the Improvement District assessment base increases or overall services are cut.

Requisitions

Requisitions including Schools, Planning Fund and Seniors Foundations are calculated using equalized assessment, which is a calculation that translates live assessments Province-wide to a comparable base figure. As can be seen from the mill rate table at the beginning of the section, the mill rates are not significantly different between the Village and the Improvement District. Disincorporation would not have a material effect on these mill rates.

Summary

Based on the calculations shown in this section the property taxes for Wildwood residents could drop from the current level, even with the inclusion of the debt recovery mill rate. Improvement District #14 residents could expect to see an increase on the municipal side of approximately 2%.

Summary of Estimated Residential Mill Rates

Requisitioning Authority	1989 Village Mill Rate	After Disincorporation
Municipal	34.019	7.071
Debt Recovery	--	11.975
School	8.241	8.100
Planning Fund	.124	.098
Seniors Fdn.	.258	.220
Total	42.642	27.464

The mill rate estimates contained here do not reflect any Village Council decisions made in 1990. The estimates also do not reflect the possible costs of any future Improvement District Advisory Council spending decisions. It should not be assumed that taxes will automatically drop upon disincorporation.

5.0 OPTIONS

The next step for the citizens of Wildwood is to consider all of the options available to the community. Their decision will likely have an impact on other Alberta communities that find themselves in a position similar to Wildwood.

Three options are presented here with potential positive and negative impacts of each. Those options are:

*Maintain the status quo.
*Request special financial assistance from the Province.
*Disincorporate the Village and revert to Hamlet status.

Maintain the Status Quo

The first option for Wildwood is to continue to operate as an incorporated Village.

Possible Advantages - Political and administrative control remains at the local level. Mill rates, budgets, service levels and capital works projects are all decided by the Village Council. An improvement in the provincial economy could brighten the fortunes of Wildwood significantly, for example, a rise in oil prices. This option would also encourage the development of initiatives at the local level.

Possible Disadvantages - A large proportion of the tax levy to each citizen would continue to go towards debenture debt payments. The question would have to be addressed as to whether Wildwood has reached the maximum acceptable debt load and whether citizens can tolerate any further financial burden from property taxation. The Village has no further capacity to perform upgrading of municipal infrastructure and replace equipment used to provide services to residents.

Request Special Financial Assistance

The second option presented is to determine if one-time special assistance could be obtained from the Province. There has been no indication to date that the Provincial Government would provide such assistance and set this type of precedent.

Possible Advantages - A one time financial assistance package would provide Wildwood with some time to try to attract more commercial assessment. In the short term this would also lessen the tax burden on residents.

Possible Disadvantages - This option does not solve the long term financial and economic problems that Wildwood and other small rural communities are facing. Upgrading of municipal infrastructure and increasing operating costs are also not addressed. It is unlikely that the Province would support special assistance due to the precedence of such an action. Council decisions have ultimately placed the Village in this circumstance. Alberta Transportation and Utilities has already indicated it cannot support any further funding. The provision of special assistance would only delay the problems that Wildwood faces.

Disincorporate the Village and Revert to Hamlet Status

The third and final option presented here is disincorporation of the Village and reversion to Hamlet status within Improvement District #14. Residents would probably be asked to vote on this option if support is indicated. A final decision would then be made by the Minister of Municipal Affairs based on the results of the vote and other relevant information including this study. It should also be noted here that Hamlet status is given at the discretion of the Minister and is usually a step toward incorporation. The Minister will also need to carry out discussions with the Improvement District #14 Advisory Council regarding their views and concerns with this option.

Possible Advantages - The immediate positive effect of disincorporation would be financial. Property taxation could drop even with the inclusion of the special debt recovery levy. There are certain cost benefits to being part of an operation as large as the Improvement District, especially in terms of provision of services. New long term debt would be assumed by the Improvement District with local improvement charges levied on an ability to pay basis by the Advisory Council.

Possible Disadvantages - The effect of reversion to hamlet status on the community is unknown. The transition to Hamlet status could have a demoralizing effect on the citizens and only serve to speed the demise of the community of Wildwood. Changes in administration and service levels are unknown as citizens no longer have the same degree of local control over service levels. They would have a voice as residents of the Improvement District. However, this is a much larger community than the Village. The current Village Council of five would be reduced to one representative on the Improvement District Advisory Council. It is unknown how this would effect the level of citizen political participation.

6.0 APPENDICES

Village of Wildwood

Residential Improvements - Sample Assessments

Present Assessment	Using 1979 Manual	% Increase Decrease
$8,360	$9,540	14.11%
$8,340	$8,620	3.36%
$25,010	$25,120	0.44%
$28,750	$34,320	19.37%
$43,740	$41,970	-4.05%
$13,360	$13,230	-0.97%
$14,810	$14,570	-1.62%
$34,610	$34,450	-0.46%
$27,770	$27,330	-1.58%
$37,000	$35,320	-4.54%
$241,750	$244,470	1.13%

Commercial Improvements - Sample Assessments

Present Assessment	Using 1979 Manual	% Increase Decrease
$65,580	$64,600	1.49%
$161,400	$156,010	3.34%
$72,680	$76,880	-5.78%
$39,310	$38,020	3.28%
$199,630	$185,570	7.04%
$129,890	$128,160	1.33%
$668,490	$649,240	-2.88%

Village of Wildwood
'89 Official Population List
Statistical Analysis

Age Group	Males	Females	Total	% of Total
0-14	38	53	91	25.78%
15-19	17	19	36	10.20%
20-24	7	7	14	3.97%
25-44	34	46	80	22.66%
45-54	20	13	33	9.35%
55-64	18	20	38	10.76%
65 and over	22	39	61	17.28%
Total	156	197	353	100.00%

Total Dwelling Units	153
Population per Dwelling Unit	2.3

APPENDIX B

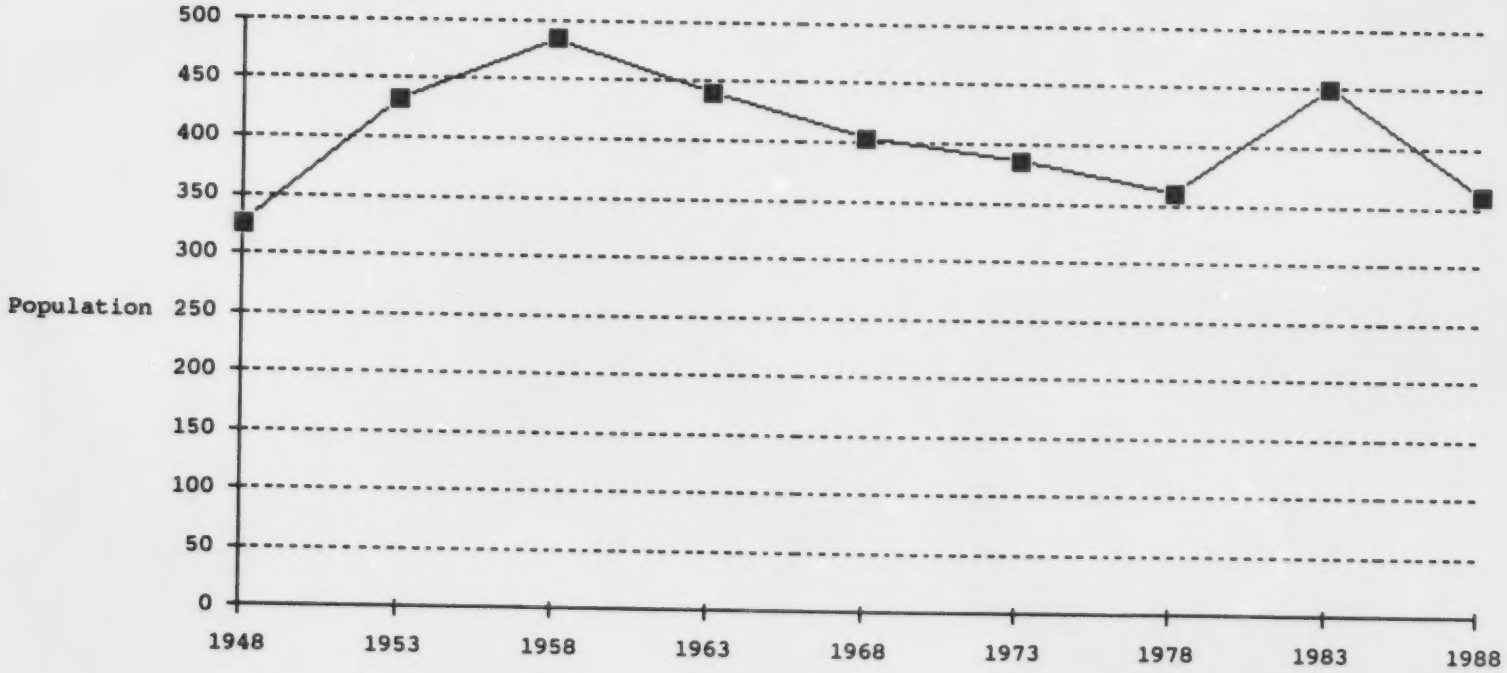
Village of Wildwood - Debenture Debt Repayment Schedule

Debenture	Year 1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Civic Building -1968	$2,512	$2,512	$2,512	$2,512	-	-	-	-	-	-
Water and Sewer Extension -1972	$2,800	$2,800	$2,800	$2,800	$2,800	$2,800	$2,800	$2,800	$2,800	-
Public Works Building -1981	$3,090	$3,090	$3,090	$3,090	$3,090	$3,090	$3,090	$3,090	$3,090	$3,090
Arena Complex -1981	$6,430	$6,430	$6,430	$6,430	$6,430	$6,430	$6,430	$6,430	$6,430	$6,430
Water Reservoir -1982	$25,891	$25,891	$25,891	$25,891	$25,891	$25,891	$25,891	$25,891	$25,891	$25,891
Street Paving Project -1988	$22,789	$22,789	$22,789	$22,789	$22,789	$22,789	$22,789	$22,789	$22,789	$22,789
TOTAL	$63,512	$63,512	$63,512	$63,512	$61,000	$61,000	$61,000	$61,000	$61,000	$58,200

Debenture	Year 2000	2001	2002	2003	2004	2005	2006	2007	2008	TOTAL
Civic Building -1968	-	-	-	-	-	-	-	-	-	$10,048
Water and Sewer Extension -1972	-	-	-	-	-	-	-	-	-	$25,200
Public Works Building -1981	$3,090	$3,090	$3,090	$3,090	$3,090	-	-	-	-	$46,350
Arena Complex -1981	$6,430	$6,430	$6,430	$6,430	$6,430	$6,430	-	-	-	$102,880
Water Reservoir -1982	$25,891	$25,891	$25,891	$25,891	$25,891	$25,891	$25,891	-	-	$440,147
Street Paving Project -1988	$22,789	$22,789	$22,789	$22,789	$22,789	$22,789	$22,789	$22,789	$22,789	$432,991
TOTAL	$58,200	$58,200	$58,200	$58,200	$58,200	$55,110	$48,680	$22,789	$22,789	$1,057,616

APPENDIX C

VILLAGE OF WILDWOOD - LONG TERM POPULATION TREND



APPENDIX D

Village of Wildwood						
Five Year Projected Operating Revenues						
		1990	1991	1992	1993	1994
'12' General Administration		$10,400	$10,400	$10,400	$10,400	$10,400
'41' Water Supply		$25,000	$24,000	$23,000	$22,000	$21,000
'42' Sanitary Sewer		$15,000	$15,000	$14,500	$14,000	$14,000
'61' Municipal Planning		$200	$200	$200	$200	$200
'72' Recreation/Parks		$20,000	$20,000	$20,000	$20,000	$20,000
'91' Gas Production/Distribution		$4,845	$4,845	$4,845	$4,845	$4,845
Other Operating Revenues						
Mobile Licenses		$2,500	$2,500	$2,500	$2,500	$2,500
Penalties and Costs on Taxes		$3,000	$3,000	$3,000	$3,000	$3,000
Interest/Dividends		$1,460	$1,460	$1,460	$1,460	$1,460
TOTAL		$82,405	$81,405	$79,905	$78,405	$77,405

Village of Wildwood						
Five Year Projected Operating Expenditures						
		1990	1991	1992	1993	1994
'12' General Administration		$4,000	$4,200	$4,410	$4,630	$4,862
'23' Fire Protection		$16,600	$17,430	$18,301	$19,216	$20,177
'24' Disaster		$1,000	$1,050	$1,102	$1,157	$1,215
'25' Ambulance		$2,569	$2,569	$2,500	$2,500	$2,500
'26' Bylaw Enforcement		$1,500	$2,000	$2,000	$2,500	$3,000
'31' Common Services		$62,195	$66,859	$71,874	$77,264	$83,509
'32' Roads and Streets		$27,500	$28,875	$30,318	$31,835	$33,426
'37' Storm Sewers		$5,000	$5,000	$7,000	$7,000	$7,000
'41' Water Supply		$22,350	$23,467	$24,640	$25,872	$27,166
'42' Sanitary Sewer		$25,350	$26,617	$27,948	$29,345	$30,813
'43' Garbage		$6,500	$6,825	$7,166	$7,524	$7,900
'51' FCSS		$2,114	$2,114	$2,114	$2,114	$2,114
'62' Agricultural Services		$1,360	$1,360	$1,360	$1,360	$1,360
'69' Tourism		$350	$350	$350	$350	$350
'71' Recreation		$6,133	$6,440	$6,760	$7,100	$7,450
'72' Parks/Playgrounds		$20,000	$20,000	$20,000	$20,000	$20,000
'74' Libraries		$7,250	$7,250	$7,250	$7,250	$7,250
TOTAL		$211,771	$222,406	$235,093	$247,017	$260,092

APPENDIX E

Village of Wildwood
1988 Long Term Debt Per Capita

Village	Official '88 Population	Total Outstanding Long Term Debt	Debt Per Capita
Wildwood	361	$479,584	$1,328
Entwistle	478	$662,739	$1,386
Sangudo	368	$312,936	$850
Warburg	477	$439,579	$922
Breton	557	$542,340	$974
Andrew	485	$482,136	$994
All Village Average	378	$322,723	$855

Source: 1988 Amfis Data

APPENDIX F